

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

FIRST-CLASS MAIL AND PERIODICALS
SERVICE STANDARD CHANGES, 2021

Docket No. N2021-1

**RESPONSES OF THE UNITED STATES POSTAL SERVICE INSTITUTIONAL
WITNESS (SHARON OWENS) TO QUESTIONS 2-3 OF NATIONAL POSTAL POLICY
COUNCIL INTERROGATORIES TO UNITED STATES POSTAL SERVICE WITNESS
STEPHEN B. HAGENSTEIN
(NPPC/USPS-T3-2 to 3)
(May 26, 2021)**

The United States Postal Service hereby provides the responses of institutional witness Sharon Owens to Questions 2-3 of National Postal Policy Council Interrogatories to United States Postal Service Witness Stephen B. Hagenstein (NPPC/USPS-T3-2 to 3), issued on May 19, 2021. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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May 26, 2021

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OWENS TO NATIONAL POSTAL POLICY COUNCIL INTERROGATORIES
(REDIRECTED FROM WITNESS HAGENSTEIN)**

NPPC/USPS-T3-2: Please refer to page 5, lines 12 through 16, of your testimony, where you state: “The Postal Service also contracts with third-party terminal handling suppliers which act as intermediaries between the Postal Service and the air transportation provider. These terminal handling suppliers prepare mail for air transport and receive mail from the air transportation provider for transfer to the Postal Service.”

a. In general, into what cost segment and component are these costs booked?

b. How much were those costs in FY 2020?

RESPONSE:

- a. Terminal Handling Services expenses are included in Cost Segment 14,
Component 142 (Domestic Air) and Component 681 (Domestic Alaska Air).
- b. For FY 2020, the total Terminal Handling Services cost was \$494 million.

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NPPC/USPS-T3-3: Are the workers who handle mail at Surface Transfer Centers USPS personnel?

- a. If so, what craft are they in?
- b. Are they tallied as part of IOCS?
- c. Are their labor hours accounted for under MODS, NDCs, NonMODS or a combination of the three?
- d. Please provide the FY 2020 craft cost for the activities.

RESPONSE:

The Postal Service has contracted Surface Transfer Centers (STCs) and Postal-operated STCs. Postal Service personnel handle mail in the Postal-operated STCs only.

- a. Those who are Postal Service personnel are clerks and mail handlers.
- b. Yes, these Postal Service personnel are sampled in the In-Office Cost System (IOCS).
- c. Network Distribution Centers (NDCs).
- d. The Postal Service does not separate labor costs for the employees who are doing STC-specific activities because they are collocated at NDCs with employees doing non-STC work and are clocking into some of the same MODS operation codes as those non-STC employees. In addition, some employees perform both STC and non-STC activities.